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Arizona Corporation Commission

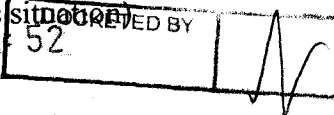
DOCKETED

ARIZONA CORPORATION COMMISSION  
UPDATED INFORMATION FORM

FEB 17 2000

(Please check the paragraphs that apply to the company's situation)

2000 FEB 17 A 11:52



Return to: Cynthia Mercurio-Sandoval

Arizona Corporation Commission - Utilities Division  
1200 W Washington  
Phoenix, Arizona 85007ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

1. The full name and address of the applicant for a Certificate of Convenience and Necessity (CC&N) to resell telecommunications services within the State of Arizona and for a determination that services of the company are competitive is:

USC TELECOM, INC.  
1250 WOOD BRANCH PARK DRIVE  
HOUSTON TX 77079-1212

2. The company is currently providing service in Arizona? ☒ Yes ☐ No

3. The company no longer wants to do business in Arizona. A Request To Withdraw it's application will be filed by submitting an original and 10 copies of the Request To Withdraw and a Docket Cover Sheet, to the Docket Control Center, 1200 W Washington, Phoenix, AZ 85007 by **February 11, 2000** (Form attached for your convenience)

☒ 4. The company wishes to have its application processed, and therefore, will file updated information, including name, address, names of contact people, their addresses; telephone numbers and e-mail addresses in the Docket Control Center.

☒ 4a. The updated information will be provided by mailing an original Amended Application, 10 copies and a Docket Cover Sheet to: the Docket Control Center, 1200 W Washington, Phoenix, AZ 85007, by **February 11, 2000**.

5. The company wishes to have its application processed and all information in the pending application is accurate and current.

IRETHA CORKRAN  
Name of person completing form (Please print)

1-27-00  
Date

MANAGER REGULATORY AFFAIRS  
Title of person completing form

(281) 529-4689  
Phone number of person completing form

*Application and Petition for Competitive Reseller CC&N*

FORM B

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide  
Competitive Intrastate Telecommunications Services as a Reseller**

Mail original plus 10 copies of completed application to:

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

If you have current applications pending in Arizona for  
provision of reseller, AOS, or other telecommunication  
services, please identify:

Type of Service: Telecommunications Services Reseller

Docket No.: T-03619A-98-0496 Date: Sept. 3 1998

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

For Docket Control Only:  
(Place Stamp Here)

Docket No. \_\_\_\_\_

Date Docketed \_\_\_\_\_

**A. Company and Telecommunications Service Information**

**(A-1) The name, address, and telephone number of the applicant (company):**

USC Telecom, Inc.  
1250 Wood Branch Park Drive  
Houston, Texas 77079-1212  
  
P. O. Box 441085  
Houston, Texas 77244-1085  
(713) 556-4600 or (800) 725-5575

**(A-2) If doing business (dba) under a name other than the applicant (company) name listed above,  
specify:**

**(A-3) The name, address, telephone number, and facsimile number of the management contact:**

Iretha Corkran  
P. O. Box 441085  
Houston, Texas 77244-1085  
(281) 529-4689  
(281) 529-4686 (facsimile)  
(800) 725-5575 (toll free)

*Application and Petition for Competitive Reseller CC&N*

- (A-4) The name, address, and telephone of the attorney, if any, representing the applicant:
- (A-5) What type of legal entity is the applicant?
- ☐ Sole proprietorship
- ☐ Partnership: ☐ limited, ☐ general, ☐ Arizona, ☐ Foreign
- ☐ Limited liability company
- ☒ Corporation: ☐ "S", ☒ "C", ☐ non-profit, ☐ Arizona, ☒ Foreign
- ☐ Other, specify:
- (A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.
- USC Telecom, Inc. is a wholly owned subsidiary of Equalnet Communications Corp. that is a publicly held corporation [holding company].
- (A-7) 1. Is your company currently reselling telecommunication service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona.
- No
2. If the answer to 1. is "yes", identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-100(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.
- The type of telecommunications services resold are:
- Toll Service, Switched Outbound and Inbound
- Toll Service, Dedicated Outbound and Inbound
- The underlying carrier(s) provide Operator Services to Presubscribed Customers of USC Telecom, Inc.
3. If the answer to 1. is "no", when does your company plan to begin reselling service in Arizona?

*Application and Petition for Competitive Reseller CC&N*

- (A-8) **Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions including deposits, that will apply to provision of the service(s) by your company.**

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R 14-2-1109(B)(2)). See Rule R 14-2-1110 for the procedures to make price list changes that result in rates that are higher than the tariff rate.

- (A-9) **The geographic market to be served is:**

☒ **Statewide**

☐ **Other. Describe and provide a map depicting the area.**

- (A-10) **List the states in which you currently resell services similar to those you intend to resell in Arizona.**

TX, AR, CA, CO, FL, GA, IL, MI, NM

- (A-11) **Provide the name, address, and telephone number of the company's complaint contact person.**

Jennifer Thompson  
USC Telecom, Inc.  
P. O. Box 441085  
Houston, Texas 77244-1085  
(281) 529-4515 (direct) or (281) 529-4686 (facsimile)

- (A-12) **Provide a list of states in which you have sought authority to resell telecommunications services and in which the state granted the authority with major changes and conditions or did not grant your application for those services. For each state listed, provide a copy of the commission's decision modifying or denying your application for authority to provide telecommunications services.**

None

- (A-13) **Has the company been granted authority to provide or resell telecommunications services in any state where subsequently the authority was revoked? If "yes", provide copies of the state regulatory commission's decision revoking its authority.**

No

*Application and Petition for Competitive Reseller CC&N*

(A-14)	Has the company been or is the company currently involved in any formal complaint proceedings before any state or federal regulatory commission? If "yes", in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of commission orders that have resolved any of these complaints. No.
(A-15)	Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes", in which states has the applicant been involved in investigations and why is the applicant being investigated? No.
(A-16)	Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order. No.
<b>B. Technical Information</b>	
(B-1)	<p>If your company is a <u>switchless</u> reseller, provide the name of the company or companies whose services you resell and skip to question (B-2). If you are not a switchless reseller, complete the remainder of this section.</p> <p>Include "Attachment C." Attachment C should provide the following information: A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network).</p> <p>Also include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).</p> <p>USC Telecom, Inc. intends to resell the services of interexchange carriers such as AT&amp;T, Frontier, Sprint.</p>
(B-2)	Will your customers be able to access alternative toll service providers or resellers via 1+ or 10XXX access, if your system becomes non-operational? Yes.
<b>C. Financial Information</b>	
(C-1)	<p>Include "Attachment D." Attachment D should provide copies of the following audited financial information for the most recent two years for all Arizona operations. Check boxes indicating items attached.</p> <p><input type="checkbox"/> current intrastate balance sheet</p> <p><input type="checkbox"/> current intrastate income statement</p> <p><input type="checkbox"/> current intrastate cash flow statement</p> <p><input checked="" type="checkbox"/> other financial information evidencing financial resources</p>

***Application and Petition for Competitive Reseller CC&N***

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations related to the regulation of telecommunications services and that the company will abide by Arizona State law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

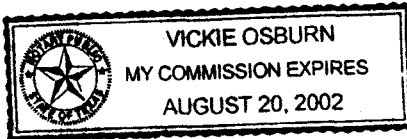
Iretha Corkran  
(Signature of Authorized Representative)

2-16-00  
(Date)

Iretha Corkran  
(Printed Name of Authorized Representative)

Manager, Regulatory Affairs  
(Title)

SUBSCRIBED AND SWORN to before me this 16 day of February, 2000



Vickie Osburn  
NOTARY PUBLIC

My Commission Expires

Aug 20, 2002

**ATTACHMENT A**

**Corporate Information**

**Name of Corporation:** USC Telecom, Inc.

**State of Incorporation:** Delaware

**Date of Incorporation:** July 17, 1998

**Authentication Number:** 9204689

**Registered Agent in Delaware:**

National Registered Agents, Inc.  
9 East Loockerman Street  
Dover, DE 19901  
County of Kent

**Officers:**

Mitchell H. Bodian President and CEO  
Michael P. Gallagher, CFO/CAO

**Director:**

Mitchell H. Bodian

**Share Ownership and Information:**

**Capital Stock Authorized:** 1,000 Shares

**Type:** Common

**Par Value:** \$0.01

**Share Ownership:** 1,000 shares owned by Equalnet Communications Corp.,  
[f/k/a EqualNet Holding Corp.] a Texas Corporation

**USC Telecom, Inc.**

**Officer List**

**President & CEO**

**Mitchell H. Bodian**

**CFO/CAO**

**Michael P. Gallagher**

**Sole Director**

**Director**

**Mitchell H. Bodian**

**Mitchell H. Bodian**

**Office:** 1250 Wood Branch Park Dr.  
Houston, Texas 77079-1212

**Michael P. Gallagher**

**Office:** 1250 Wood Branch Park Dr.  
Houston, Texas 77079-1212



**ATTACHMENT B**

**Proposed Tariff**

**TITLE SHEET****ARIZONA TELECOMMUNICATIONS TARIFF**

This tariff contains descriptions, regulations and rates applicable to the furnishing of service and facilities for telecommunications services provided by USC Telecom, Inc. ("Company"). The Company has principal offices at 1250 Wood Branch Park Drive, Houston, Texas 77079-1212, telephone number (281) 529-4600 or 1 (800) 725-5575 and customer service number (800) 525-9510. This tariff applies for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission (ACC) and copies may be inspected, during normal business hours, at the Company's principal place of business.

Contact: Iretha Corkran  
Direct: (281) 529-4689  
Facsimile: (281) 529-4686

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**Issued: August 29, 1998****Effective:****Issued by:**

Iretha Corkran, Manager Regulatory Affairs  
USC Telecom, Inc.  
P. O. Box 441085  
Houston, Texas 77244-1085  
(800) 725-5575

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**CHECK SHEET**

Sheets 1 through 38 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<b>SHEET</b>	<b>REVISION</b>	<b>SHEET</b>	<b>REVISION</b>
1	Original	20	Original
2	Original	21	Original
3	Original	22	Original
4	Original	23	Original
5	Original	24	Original
6	Original	25	Original
7	Original	26	Original
8	Original	27	Original
9	Original	28	Original
10	Original	29	Original
11	Original	30	Original
12	Original	31	Original
13	Original	32	Original
14	Original	33	Original
15	Original	34	Original
16	Original	35	Original
17	Original	36	Original
18	Original	37	Original
19	Original	38	Original

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**Effective:**

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<b>CHECK SHEET .....</b>	<b>2</b>
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**(800) 725-5575**

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**SYMBOLS**

The following are the only symbols used for the purposes indicated:

- |   |   |  |
|---|---|--|
| C | - | To signify changed regulation                                |
| D | - | Delete or discontinue  |
| I | - | Change resulting in an increase to a customer's bill         |
| M | - | Moved from another tariff location                           |
| N | - | New  |
| R | - | Change resulting in a reduction to a customer's bill         |
| T | - | Change in text or regulation but no change in rate or charge |

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**TARIFF FORMAT****A. Sheet Numbering**

Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 8 and 9 would be 8.1.

**B. Sheet Revision Numbers**

Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file. For example, 3<sup>rd</sup> revised sheet 8 cancels 2<sup>nd</sup> revised sheet 8.

**C. Paragraph Numbering Sequences**

There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level.

2.  
2.1  
2.1.1.  
2.1.1.A.  
2.1.1.A.1.  
2.1.1.A.1.(a)  
2.1.1.A.1.(a).1.  
2.1.1.A.1.(a).1.(i)  
2.1.1.A.1.(a).1.(i).(1).

**D. Check Sheets**

When a tariff filing is made, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms**

**1 Plus (1+):** InterLATA calling within the North American Numbering Plan may be completed by dialing 1 plus the area code plus the telephone number of the called party. IntraLATA calling may be completed by dialing an authorization code, then 1 plus the area code plus the telephone number.

**0 Minus (0-):** An operator assisted call where the calling party dials "0" (for operator) and does nothing more until an operator comes on line. The caller then states the nature of the call and the phone number or party he wants to reach.

**Additional Period:** The billing increment charged after the minimum period on a call.

**Authorized User:** A person, firm, corporation or any other entity authorized by the Customer to use or communicate over such services or facilities as may be provided by this tariff.

**Base Rate:** The rate from which time-of-day discounts, volume discounts and specialized pricing arrangements are figured.

**Business Customer:** A customer whose use of service is primarily or substantially of a professional, business, institutional, occupational or commercial nature.

**Busy Line Interruption:** Operator interruption of a conversation in progress on a called station. A charge applies for each attempt to interrupt regardless of whether or not the called station releases the call. A Busy Line Verification must be made prior to a Busy Line Interruption.

**Busy Line Verification:** Provides operator assistance in determining whether there is conversation in progress on a called station.

**Calling Card:** A billing arrangement by which a call may be charged to an authorized Carrier's calling card account.

**Called Station:** The location of the telephone number called. A station call is one placed to a particular telephone number, as opposed to a Person-to-Person call, which is placed to a particular person.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms (Continued)**

**Carrier:** The underlying carrier that provides switches, lines, networks, operator assistance and directory assistance as specified in this tariff.

**Channel:** An electrical transmission path for communications between two points. A local channel is a private line that provides a communication path between a customer's premises and an interexchange carrier's central office. This is generally provided by the local exchange company, or may be provided by alternative (by-pass) arrangement.

**Collect Call:** Denotes a billing arrangement by which the charge for a message may be reversed provided the charge is accepted at the called service point. A collect call may be billed to a calling card or third party number.

**Commercial Calling Card Call:** Denotes a billing arrangement by which the charge for a message may be billed to commercial credit or calling card by the calling party.

**Commission:** Refers to Arizona Corporation Commission.

**Company:** Refers to USC Telecom, Inc.

**Customer:** Any person, firm, corporation or other entity that orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

**Customer-Dialed Calling Card Station** (See Station-to-Station)

**Day:** Rate period from 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

**Dedicated Access:** Access to a long-distance network over dedicated private lines, analog or digital, reserved for the specific use of one organization

**Dial Station Call:** (See Station-to-Station)

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms (Continued)**

**Eight Hundred (800) Services:** Toll-free calling service that enables callers to dial an 800 number at the expense of the Customer. Eight Hundred (800) services are available over lines with either dedicated or switched access. Also known as inbound WATS.

**End Users:** Customers who directly use telecommunications services rather than providing them to others.

**Evening:** Rate period from 5 PM up to but not including 11PM local time Sunday through Friday.

**Exchange:** A unit established by the Local Exchange Company for the administration of communications service in a specified area which usually embraces a city, town or village and environs. It consists of one or more central offices together with the associated plant used in furnishing communications service within that area.

**Facilities:** Transmission lines, switches and other physical components used to provide telephone service.

**Holiday:** Company acknowledged holidays for which reduced evening or non-peak rates are in effect are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**Initial Period:** The initial period denotes the first billing interval of time which will be billed at the rate specified for a connection between given service points. The initial period for different classes of service may differ as specified in the rate table for that service.

**Interstate Call:** Any call, which is originated in one state and terminated within the boundaries of another state.

**InterLATA:** Communication that crosses the boundary between Local Access and Transport Areas. (*See LATA*)

**IntraLATA:** Communications within a given LATA.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms (Continued)**

**Intrastate Call:** Any call which is originated and terminated within the boundaries of the State of Arizona, regardless of whether such call crosses state boundaries prior to reaching its termination point.

**Mileage:** Airline miles between calling areas. The airline mileage distance between the origination and termination points of a telephone call.

**Night/Weekend:** The rate period from 11 PM up to but not including 8 AM local time Sunday through Saturday and from 8:00 AM up to but not including 11:00 PM local time Saturday and from 8:00 AM up to but not including 5:00 PM local time Sunday.

**Operator Dialed Surcharge:** A charge applied to Operator Station and Person-to-Person rated calls when the customer has the capability of dialing all the digits necessary to complete a call, but elects to dial the underlying carrier operator and requests that the operator dial the called station. The surcharge applies in addition to any applicable service charges.

The surcharge does not apply to:

- Calls where a customer cannot otherwise complete the call, due to defective equipment or trouble on the Underlying Carrier's facilities.
- Calls in which an Underlying Carrier operator places a call for a calling party who identifies himself/herself as being handicapped and unable to dial the call because of his/her handicap.
- Calls for which an Underlying Carrier does not have the technical capability to impose the surcharge, such as certain coin sent paid, hotel/motel sent paid, and time and charges calls.
- Calling Card calls.

**Operator Assistance Service Charges:** Charges that apply in addition to other rates as specified in the rate section of this tariff. Discounts as specified in this tariff do not apply to service charges. Only one service charge per message will apply.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms (Continued)**

**Person-to-Person:** That service where the person originating the message specifies to the Underlying Carrier's operator, a particular person, service point, department, or office to be reached through a PBX attendant.

- When, after the service point or PBX called has been reached and while the connection remains established, the person originating the message requests or agrees to talk to any person other than the person specified, or to any other service point, department or office to be reached through a PBX attendant, the classification of the message remains Person-to-Person.
- When the person originating the message wishes arrangements made in advance with a particular party or service point for the establishment of a connection at a specified time (appointment call) the message is classified as Person-to-Person. The Company does not undertake, in person-to-person service, to bring to a service point a called person who cannot be reached at a service point connected to the telecommunications network.

**Rate Center:** A specific geographic point used in determining mileage.

**Real-Time Rated:** Refers to the actual time during which a physical process transpires. For purposes of this tariff, Real-Time-Rated calls are those where the Underlying Carrier's operator furnishes time and/or charges at the request of the caller.

**Residential Customer:** A customer whose use of service is primarily of a domestic nature.

**Resold Services:** Services obtained from another carrier for resale to the public for profit

**Service Point:** Denotes the point on the customer's premises where channels, provided by or furnished to, the customer are terminated in switching equipment used, in the normal mode of operation, for communications with on-site service points or customer premises equipment.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms (Continued)**

**Station-to-Station:** The caller originates the message by dialing the desired telephone number or giving it to the operator. The name and address listed for the desired service point or PBX is given. The person does not specify a particular person to be reached, nor a particular service point, department, or office to be reached through a PBX attendant.

Four classes of station-to-station services are offered as follows:

1. **"Dial Station"** Dial Station Rate shall apply when the person originating the message from a station other than a public or semi-public coin telephone dials the telephone number desired and the message is completed without the assistance of an operator. The call is not billed to a number other than the originating number except: when an operator records the originating telephone number because no automatic recording equipment is available; when facilities are unavailable for dial completion; when a calling party identifies himself as being unable to dial the telephone because of his handicap; or when an operator re-establishes a connection that is interrupted after the called number is reached.
2. **"Customer Dialed Calling Card Station"** rates apply when the person originating the message:
  - A. Dials the telephone number desired and completes the message without the assistance of an underlying carrier operator and the message is billed to a Calling Card, or
  - B. Dials the telephone number desired and operator assistance is limited to recording the Calling Card number for billing purposes, or
  - C. Dials the operator and places a Calling Card station message when equipment capability precludes any of the foregoing.

---

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P. O. Box 441085  
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(800) 725-5575

**Effective:**

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.1. Technical Terms (Continued)**

3. **"Operator Dialed Calling Card Station"** Rates that apply when the customer dials the appropriate operator code, e.g., 00, 10288, or 0, and requests that the operator complete the call. The operator dials the called telephone number and the calling card number to be used for billing purposes.
4. **"Operator Station"** rates apply when calls are completed with the assistance of an underlying carrier operator, except as specified for the Dial Station, Customer Dialed Calling Card Station, Operator Dialed Calling Card Station, Person-to-Person, and Real-Time-Rated classes of service. Operator Station rates apply to calls which are billed to a different telephone number (e.g., collect, bill to a third number) or a calling card.

**Switched Access:** Telephone-company-provided exchange access services that offer switched interconnections between local telephone subscribers and long distance companies. Switched access is used by long distance companies for origination and completion of ordinary user-dialed long distance calls.

**Tariff:** The set of rules, procedures, services, and prices under which a carrier is licensed to operate.

**Voice Grade:** A channel used primarily for speech transmission, but also suitable for digital or analog data or facsimile; generally with an analog frequency range between 300 and 3000 Hz or a digital bandwidth of 64 Kbps.

**Underlying Carrier:** The provider of telecommunications services whose network is being utilized to transmit and receive the Customer's telecommunications traffic.

**V&H Coordinates:** Geographic points that define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for rating mileage-banded calls.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.2. Acronyms**

**Bps:** Bits per second; the basic measuring unit of speed in a digital transmission system; the number of bits that transmission facility can convey between a sending location and a receiving location in one second.

**CO: *Central Office:*** A switching unit in a telecommunications system, that provides service to the general public and has the necessary equipment and operating arrangements for terminating and interconnecting customer lines and trunks or trunks only.

**DS-0: *Digital Signal Level Zero:*** A single digital 64 Kbps, pulse-code modulated, transmission channel; the starting point for a digital multiplexing hierarchy.

**DS-1: *Digital Signal Level 1:*** A 1.544 Mbps digital signal comprised of 24 multiplexed 64 Kbps digital channels.

**FGD: *Feature Group D:*** Access service providing trunk sided access to telephone company end office switches with an associated 10XXX access code for customer's use in originating and terminating communications.

**FX: *Foreign Exchange:*** A telephony company exchange service that uses a private line to connect a subscriber's local central office with a distant CO in a community outside the subscriber's local calling area. With FX service, a telephone number in the distant CO is made a part of the subscriber's local service. FX service is used by customers who place and receive large numbers of calls to and from a particular distant location.

**Kbps:** Thousands of bits per second; a measurement of speed in a digital transmission system. (*See bps*)

**LATA: *Local Access Transport Area:*** A geographic boundary within which the LEC provides communications services. Multiple LECs may provide services within the same LATA.

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**SECTION 1 - TECHNICAL TERMS AND ACRONYMS****1.2. Acronyms**

**LEC:** *Local Exchange Carrier:* A carrier that provides service to a line grouping that can uniquely be identified by an area code and first three digits of a phone number. In the context of the divestiture decree, local exchange is a synonym for intraLATA.

**Mbps:** Millions of bits per second. (*See bps*)

**PBX:** *Private Branch Exchange:* A private switching system on the customer's premises which provides internal telephone communications between stations of the system, as well as between these stations and the external telephone network.

**SAL:** *Special Access Line:* The physical circuit installed by a local telephone company to provide a non-switched connection between a long distance company's point of presence and an end-user location.

**T-1:** A type of digital carrier system transmitting voice or data at 1.544 Mbps. A T-1 carrier can handle up to 24 multiplexed 64 Kbps digital voice/data channels. A T-1 carrier system can use metallic cable, microwave radio or optical fiber as transmission media.

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## SECTION 2 - TERMS AND CONDITIONS

### 2.1. Undertaking of Company

- 2.1.1. The Company's services are furnished to business or residential customers for intrastate telecommunications services originating at specified points within the state. Rates, terms and conditions for the Company's telecommunications service are set forth in this tariff.
- 2.1.2. The Company interfaces between the end user, the LEC, and any Underlying Carrier who may provision the communication services described herein in accordance with the terms and conditions set forth in this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the Carrier's network.
- 2.1.3. Services and facilities are provided on a monthly basis and are available twenty-four hours per day, seven days per week.

### 2.2. Limitations

- 2.2.1. Service is offered subject to the availability of the necessary facilities and equipment and the provisions of this tariff.
- 2.2.2. The Company reserves the right to discontinue furnishing service, or limit the use of service, when necessitated by conditions beyond its control; or when the Customer is using service in violation of the law or the provisions of this tariff.
- 2.2.3. In the event prior written permission from the Company is given for any assignment or transfer, all regulations and conditions contained in the tariff shall apply to all such permitted assignees or transferees.

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**SECTION 2 - TERMS AND CONDITIONS****2.2. Limitations (Continued)**

- 2.2.4. The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of service includes but is not limited to:
- A. The use of the service of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the charge applicable for service;
  - B. The obtaining, or attempt to obtain, or assist another to obtain or attempt to obtain, service by rearranging, tampering with, or making connection with, any service components of the Underlying Carrier. The use of any trick, scheme, false representation, false credit device, or any other fraudulent means or device whatsoever, with intent to avoid payment, in whole or in part, of the regular charge for such service, in any manner without consent by either the Company or the Underlying Carrier;
  - C. The use of the Company's services for transmitting a message or messages, anonymous or otherwise, if done in a manner that could reasonably be expected to frighten, abuse, torment, or harass another;
  - D. The use of profane or obscene language;
  - E. The use of the service in such a manner as to interfere unreasonably with use of the service by any other Customers.
- 2.2.5. The Company does not undertake to transmit messages, but furnishes the use of its services to its Customers for telecommunications.
- 2.2.6. The Company does not offer services for resale by a Customer unless such Customer has been granted a Certificate of Convenience and Necessity by the Commission to provide such services in the State of Arizona.
- 2.2.7. All services provided under this tariff are directly or indirectly, controlled by the Company and the Customer may not transfer or assign the use of service without the express written consent of the Company.

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**SECTION 2 - TERMS AND CONDITIONS****2.3. Transfer or Assignment**

2.3.1. After obtaining the Company's written consent, the Customer of record may assign or transfer the use of service where there is no interruption or physical relocation. All terms and provisions contained in this tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met.

- A. The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any requested assignment or transfer.
- B. The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's services. These obligations include all outstanding indebtedness for the use of the Company's service. Consent to such transfer or assignment will not be unreasonably withheld.
- C. Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of the request.

2.3.2. Any permitted transfer or assignment of the Company's service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.

2.3.3. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

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**SECTION 2 - TERMS AND CONDITIONS**

**2.4. Use of Service**

- 2.4.1. The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of such services.
- 2.4.2. The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 2.4.3. The use of Company services by fraudulent means or devices, schemes, false or invalid numbers, false credit cards or false Phone Cards of the Company or false Phone Card numbers, is prohibited.
- 2.4.4. Resale of Company services is prohibited unless and until the Customer has provided the Company with proof that the Customer has been granted a Certificate of Public Convenience and Necessity to provide such service(s) in the State of Arizona.
- 2.4.5. The Company's service is available for use twenty-four (24) hours per day, seven days per week.
- 2.4.6. The Company does not transmit messages, but its services may be used for that purpose.
- 2.4.7. The Company's service(s) may be denied for nonpayment of charges or for other violations of this tariff.

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**SECTION 2 - TERMS AND CONDITIONS****2.5. Liabilities of the Company**

- 2.5.1. The liability of the Company and its Underlying Carriers for damages arising out of mistakes, interruptions, omissions, delay, errors, or defects in transmission, which occur in the course of furnishing service(s) or facilities. In no event shall liability exceed an amount equivalent to the proportionate charge applicable under this tariff for the period during which the faults in transmission occur.
- 2.5.2. The Company and its Underlying Carriers, regardless of the cause or foreseeability thereof, shall not be liable for claim, loss, expense, damage, including indirect, special, consequential or punitive loss or damage of any kind. This includes lost profits, for any interruption, delay, error, omission, or defect in any service, facility or transmission, provided under this tariff.
- 2.5.3. The Company will not refund overpayment by a Customer unless the claim for overpayment is submitted with evidence within one (1) year from the date of alleged overpayment. Refund will not be made unless billing records prepared by the Company can be produced which would justify a credit beyond one year.
- 2.5.4. The Company and its Underlying Carriers shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service(s) that is not the direct result of the Company's negligence.
- 2.5.5. The Company and/or its Underlying Carriers shall not be liable for defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark. Nor shall they be liable for unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right. Nor shall they be liable for any other injury to any person, property or entity arising out of the material, data information or other content revealed to, transmitted or used by the End User or Customer under this tariff or for any act or omission of the End User or Customer.
- 2.5.6. The Company and/or its Underlying Carriers shall not be liable for unlawful use of the Company's services by an unauthorized person, i.e., one not a Customer or designated End User of the Customer.

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**SECTION 2 - TERMS AND CONDITIONS****2.5. Liabilities of the Company**

- 2.5.7. The Company and/or its Underlying Carriers shall not be liable for any business acts of the Customer or End User, whether or not the practices are deceptive in marketing, advertising, provision of services or for similar operations.
- 2.5.8. The Customer shall indemnify and hold the Company and/or its Underlying Carriers harmless from any damages, costs, expenses, or attorney fees, that the Company and/or its Underlying Carriers may incur because of Customer's or End User's failure to comply with this section's provisions or because of any act or omission of the Customer or End User.
- 2.5.9. The applicable terms, rates and conditions specified in this tariff constitute the only agreement between the parties with respect to the service(s) to which the Customer has subscribed. Statements (whether written or oral) may have been made about the service(s) specified in this tariff. Such statements, however, do not constitute warranties, shall not be relied upon by the Customer and are not part of the parties' relationship. All prior agreements, proposals, representations or understandings concerning the service(s) are also deemed superseded upon the Customer's subscription. The Customer shall have all of the rights and remedies described herein as belonging to Customer, but only such rights and remedies.
- 2.5.10. The applicable tariff sections constitute the complete and exclusive expression of the parties' relationship. These tariff provisions may only be modified by: (1) a subsequent tariff filing; (2) a written agreement, signed by an authorized Company representative, who identifies both the tariff provision being modified or superseded, and the specific nature of the change.
- 2.5.11. All implied warranties, including the implied warranty of merchantability or fitness for any particular purpose, are disclaimed. The Company and/or its Underlying Carrier do not warrant that the service(s) are fit for any particular purpose of the Customer. The Company and/or its Underlying Carrier make no warranties with respect to the service(s) other than that the service(s) will conform to the description contained in this tariff

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**SECTION 2 - TERMS AND CONDITIONS****2.6 Deposits and Interest**

The Company's deposit plan includes criteria for residential and nonresidential Customers. The nonresidential plan conforms to the following except for 2.6.1, 2.6.2, 2.6.3, and 2.6.10.

- 2.6.1 A deposit shall not required of a residential Customer who has received the same or similar type of classification of service for twelve (12) consecutive months without termination for nonpayment nor for late payment more than twice nor for a payment check that was dishonored. The twelve- (12) months service period shall have been within eighteen (18) months prior to the application for new service.
- 2.6.2 Although the Company does not normally collect deposits from its Customers, deposits may be required from Customers whose credit history is unacceptable or unavailable. The amount of the deposit shall not exceed an amount equal to two (2) months toll charges determined by actual or anticipated usage. The Company plan may allow Customers to pay deposits in installments.
- 2.6.3. A present Customer may be required to post a deposit as a condition of continued service if undisputed charges have become delinquent, with delinquent meaning a payment not received on or before the due date as posted on the the Company's bill for service, in two (2) out of the last twelve (12) billing periods or if the Customer has had service disconnected during the last twelve (12) months or has presented a check subsequently dishonored.
- 2.6.4. Interest on cash deposits shall be paid by the Company at no less than the rate required by local law or regulations.
- 2.6.5. If refund of a deposit is made within thirty (30) days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than thirty (30) days, payment of interest shall be made retroactive to the date of receipt of the deposit. No interest shall accrue on a deposit after discontinuance of service.

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## SECTION 2 - TERMS AND CONDITIONS

### 2.6 Deposits and Interest (Continued)

- 2.6.6. The Company shall provide payment of accrued interest for all Customers annually by negotiable instrument or by credit against current billing.
- 2.6.7. The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.
- 2.6.8. The amount of the deposit, with accrued interest, shall be applied to any unpaid charges at the time of a discontinuance of services. The balance, if any, shall be returned to the Customer within thirty (30) days after settlement of the Customer's account, either in person or by mailing it to the Customer's last known address.

### 2.7. Advance Payments

The Company does not take advance payments from the Customer.

### 2.8. Billing and Billing Disputes

- 2.8.1. Billing to Customers will be scheduled monthly. Usage charges are billed in arrears. Recurring fixed charges are billed monthly in advance. A bill will be considered rendered to the Customer when deposited in the United States mail with postage prepaid. If the delivery is by other than United States mail, the bill will be considered rendered when delivered to the last known address of the party responsible for payment.
- 2.8.2. Payment is due by the due date printed on the bill. Payments are sent to the address listed on the bill.
- 2.8.3. If a Customer's bill is not paid by the due date printed on the bill, the Company may impose a late charge of 3% per month on the unpaid balance, or the maximum allowable under state law.

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**SECTION 2 - TERMS AND CONDITIONS****2.8. Billing and Billing Disputes (Continued)**

- 2.8.4. The Customer is responsible for payment of all charges furnished to the Customer account. Responsibility includes all calls placed from the Customer's location, all calls placed using the Customer's equipment, Customer's authorization code(s), personal identification code(s), whether or not the Customer expressly authorizes such use. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent. Invoices are conclusively presumed to be accurate unless the Customer notifies the Company within thirty (30) days from the invoice date of any errors or discrepancies.
- 2.8.5. The security of the Customer's Authorization Codes, if any, is the responsibility of the Customer. The Customer shall not, however, be responsible for charges where the unauthorized use of Authorization Codes arise after the Customer notifies the Company of loss, theft, or other breach of security of such Authorization Codes.
- 2.8.6. Any objection to billed charges should be reported to the Company as soon as possible. Questions regarding the Company's services or charges assessed to a Customer's bill may be directed to the Company's Customer Service Department toll-free at (800) 525-9510. The Company shall investigate the particular case and report the results to the Customer.
- 2.8.7. During the period that the disputed amount is under investigation, the Company shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, the Company may discontinue service. In the event the dispute is not resolved, the Company shall inform the Customer that the Customer may utilize the complaint procedures of the Arizona Corporation Commission. The Company shall provide the Customer with the following information:

Arizona Corporation Commission, Utility Division  
1200 W. Washington Street, Suite 201  
Phoenix, Arizona 85007

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**SECTION 2 - TERMS AND CONDITIONS****2.9. Adjustment for Taxes and Fees**

The Customer is responsible for payment of any sales, use, gross-receipts, excise or other local, state or federal taxes, charges or assessments imposed on or based upon the provision, sale or use of the Company's services. This excludes taxes on the Company's net income.

2.9.2. Other taxes, charges and the regulatory assessments shall be identified in the aggregate on the Customer's bill and shall not be included in the quoted rate(s).

2.9.3. Such taxes, charges, and assessments shall be billed to the Customers receiving service(s) within the territorial limits of such state, county, city or other taxing authority. Such billing shall allocate the tax, charge and/or assessment among Customers uniformly based on each Customer's monthly charges for the types of service made subject to such tax, charge and/or assessment.

**2.10. Equipment**

2.10.1. The Company's service(s) may be used with or terminated in Customer-provided terminal equipment or Customer-Provided telecommunications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer.

2.10.2. The Customer is responsible for all costs incurred at its premises, including personnel, use of equipment such as wiring, electrical power and the like. Equipment used shall comply with the minimum protective criteria generally accepted by the telecommunications industry as endorsed by the Federal Communications Commission.

**2.11. Connection and Termination**

Service is connected upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

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**SECTION 2 - TERMS AND CONDITIONS****2.12. Payment for Service**

2.12.1. All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a LEC, credit card Company, or other billing service. The terms and conditions of billing, payment and collection, including without limitation, any late payment or charge, specified in the LEC's local exchange service tariff shall apply to charges of the Company. Terms of payment shall be according to the rules and regulations of the agency, but must comply with the Commission's rules and regulations.

2.12.2. Adjustments to the Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

2.12.3. The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by the Company.

**2.13. Returned Check Charge**

Where a check or draft presented for payment of service is not accepted by the institution on which it is written, a charge of \$25.00 shall apply in addition to any bank charge for a dishonored check. This charge applies each time a check is returned to the Company by a bank for insufficient funds.

**2.14. Cancellation of Service By Customer**

A Customer may cancel service by providing written or verbal notice to the Company.

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**SECTION 2 - TERMS AND CONDITIONS****2.15. Interexchange Interconnection for Resale**

Service(s) furnished by the Company will be connected with the services or facilities of an underlying carrier. Such service(s) or facilities are provided under the terms, rates and conditions of this tariff. The Customer is responsible for all charges billed by the Company or its billing agent for use of the Company's service.

**2.16. Denial or Termination of Service**

2.16.1. Service may be refused or terminated for any of the following reasons:

- A. Nonpayment of a bill within the period prescribed in the Company's tariff.
- B. Violation of or noncompliance with any provision of law, Commission rules and regulations or the Company's approved tariffs.
- C. Excessive or improper use of telecommunications services. Use in such manner as to interfere with reasonable service to other Customers.

2.16.2. The Company shall provide documentation to the prospective Customer or current Customer stating the reason(s) for denial or termination of service.

**2.17. Disconnection and Notice**

2.17.1. When service to a Customer is disconnected for nonpayment of a bill for services after a reasonable time, the Company shall give at least five (5) days written notice to the Customer of the Company's intent to discontinue service. Notice shall be mailed by the Company to the Customer's address. Notice will be deemed given to the Customer two (2) days after mailing by the Company.

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**SECTION 2 - TERMS AND CONDITIONS**

**2.17. Disconnection and Notice (Continued)**

2.17.2. Notices to the Customer shall contain the following information:

- A. Names, addresses and telephone numbers of Customer.
- B. Statement of reason for proposed discontinuance of service.
- C. Date on, or after which, service will be discontinued, unless appropriate action is taken.
- D. Company Telephone numbers for the Customer to make an inquiry.
- E. Charges for reconnection.
- F. The address and telephone number of the Commission's Consumer Services Division.

2.17.3. When the Company has evidence of fraudulent or illegal use of the Company's services that would, if allowed to continue, present a high risk of financial loss to the Company, service may be suspended without notice to the Customer. Service may be suspended by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

2.17.4. Personal Identification Numbers or Codes are issued only by the Company to its Customers and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such numbers will result in the immediate termination of service without notice.

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**SECTION 2 - TERMS AND CONDITIONS****2.18. Refunds or Credits for Interruption of Service**

Credit for an interruption of two hours or more shall be made at the rate of 1/720<sup>th</sup> of the total monthly charge (if any) for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility, where applicable

**2.19. Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities/equipment provided by the Underlying Carrier shall be made available to the Underlying Carrier for tests and adjustments as may be deemed necessary for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

**2.20. Customer Service**

Customer Relations Representatives may be reached at (800) 525-9510 to assist with billing and service inquiries Monday through Friday from 7:00 AM to 6:00 PM CST. If these times are inconvenient for the Customer, the Company has available a voice-mail system which is checked regularly throughout the week. The Customer's call will be returned either that day or early morning of the next business day.

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**SECTION 2 - TERMS AND CONDITIONS****2.21. Billing for Calls**

Billing for calls placed over the network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

- 2.21.1. The initial period is the length of a call for minimum billing purposes. The initial period is defined in the service description for each rate schedule of this tariff.
- 2.21.2. The additional period is the rate element used to bill chargeable time when a call continues beyond the initial period. The additional period starts when the initial period ends. Additional period rates apply to any fraction of the chargeable time that continues beyond the initial period. The additional period varies by rate schedule as specified in this tariff.
- 2.21.3. Chargeable time for all calls will begin when the local exchange company signals that the called party has answered. Chargeable time ends when one of the parties disconnects from the call, as signaled by the local carrier.
- 2.21.4. Calls are billed based on the rate in effect at the time the call begins. Calls that cross rate period boundaries are billed at the rate in effect at the time the call begins.
- 2.21.5. There are no charges for incomplete calls. When a Customer indicates that he/she was billed for an incomplete call, the Company will reasonably issue credit for the call.
- 2.21.6. Time-of-day designations are used in this tariff to indicate rate period boundaries at the point of origination. Rate periods begin at the first time-of-day designation and continue up to but not including the second time-of-day designation. Time-of-day rate periods are defined in the individual rate schedules contained in this tariff.

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**Iretha Corkran, Manager Regulatory Affairs**  
USC Telecom, Inc.  
P. O. Box 441085  
Houston, Texas 77244-1085  
(800) 725-5575

**Effective:**

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**SECTION 2 - TERMS AND CONDITIONS****2.22. Time of Day Rate Periods**

Rate Application Periods are as follows unless specified otherwise in this tariff:

	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
8:00 A.M. TO 5:00 P.M.*	DAY RATE PERIOD						EVE. RATE PD.
5:00 P.M. TO 11:00 P.M.*	EVENING RATE PERIOD						
11:00 P.M. TO 8:00 A.M.*	NIGHT AND WEEKEND RATE PERIOD						

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\* Up to but not including.

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**SECTION 2 - TERMS AND CONDITIONS****2.23. Timing Calls**

- 2.23.1. Call timing begins when the called party answers the call (i.e., when two-way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection
- 2.23.2. On Dial Station, Customer-Dialed Calling Card Station, Operator-Dialed Calling Card Station, Operator Station or Real-Time-Rated Operator Station messages, chargeable time begins when connection is established between the calling and the called service point.
- 2.23.3. On Person-to-Person or Real-Time-Rated Person-To-Person messages, chargeable time begins when connection is established between the calling person and the particular person or service point specified or an agreed alternate.
- 2.23.4. Chargeable time does not include time lost because of faults or defects in the service.
- 2.23.5. Chargeable time ends when the calling service point disconnects, thereby releasing the network connection. If the called service point disconnects but the calling service point does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network or by the operator.
- 2.23.6. Chargeable time for all classes of messages begins when a message from the telecommunication network terminates in or passes through the first multi-line terminating system on the communications system at a Customer's premises.

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**SECTION 2 - TERMS AND CONDITIONS****2.24. Calculation of Distance**

Usage charges for all mileage sensitive services are based on the airline distance between the rate centers for the central office locations associated with the originating and terminating points of the call. The distance between the originating and terminating points is calculated by using the vertical "V" and horizontal "H" coordinates in the following manner:

**Step 1** - Obtain the "V" and "H" coordinates of the origination and the destination points.

**Step 2** - Obtain the difference between the "V" coordinates of each of the rate centers. Obtain the difference between the "H" coordinates.

**Step 3** - Square each of the differences obtained in Step 2.

**Step 4** - Add the square of the "V" difference to the square of the "H" difference obtained in Step 3.

**Step 5** - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

**Step 6** - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction results. This is the V&H mileage distance between the originating and terminating points of the call. The formula is as follows:

$$\text{Mileage} = \sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

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**SECTION 2 - TERMS AND CONDITIONS**

**2.25. Holidays and Rates**

Company acknowledged holidays for which reduced evening or non-peak rates are in effect are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**2.26. Minimum Call Completion Rate**

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than ninety-nine percent (99%) during peak use periods for all Feature Group D services ("1+" dialing).

**2.27. Availability of Service**

Service is available twenty-four (24) hours per day, seven (7) days a week from the Customer's premises.

**2.28. Tariffs of Underlying Carriers**

The Customer shall comply with applicable tariff provisions of the Company's Underlying Carriers including, but not limited to, provisions pertaining to the use of proper equipment with the Underlying Carrier's network. This includes the Customer's obligations to report trouble with the network, etc.

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**SECTION 3 - DESCRIPTION OF SERVICE****3.1. Service Offerings**

When the Customer opts to have its long distance service billed by its Local Exchange Carrier, rather than by the Company directly, additional cost is incurred.

**3.1.1. Direct Billed Switched Outbound and Inbound Toll Service**

- Access to Service is via switched outbound or inbound origination.
- Minimum call duration for billing purposes is sixty (60) seconds.
- Additional usage is measured and rounded to the next sixty-second-increment or fraction thereof.
- Volume discounts and term plans may apply.

**3.1.2. Direct Billed Dedicated Outbound and Inbound Service**

- Access to Service is via dedicated outbound or inbound origination.
- Minimum call duration for billing purposes is sixty (60) seconds.
- Additional usage is measured and rounded to the next sixty-second-increment or fraction thereof.
- Volume discounts and term plans may apply.

**3.1.3. Direct Billed Credit Card Calls**

- Credit card service allows Customers to place direct dialed calls from locations other than their normal place of business.
- An 800-access number must be dialed to reach the Carrier.
- A Customer-specific authorization code must also be dialed in addition to the destination telephone number.
- The minimum call duration for billing purposes is sixty (60) seconds.
- Additional usage is measured and rounded to the next higher sixty-second-increment or fraction thereof.
- Surcharge of \$.65 applies to each domestic credit card call

**3.1.4. Direct Billed Travel Card Calls**

- An 800-access number must be dialed to reach the Carrier.
- A Customer-specific authorization code must also be dialed in addition to the destination telephone number.
- Surcharge of \$.35 applies to each domestic travel card call

**3.1.5. Direct Billed Inbound Payphone Calls**

- Surcharge of \$.30 applies to each inbound payphone call
- Usage rate is \$.20 per minute

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**SECTION 3 - DESCRIPTION OF SERVICE**

**3.1. Service Offerings**

**3.1.6. LEC Billed Switched Outbound and Inbound Toll Service**

- Surcharge does not apply to each call
- Usage rate is \$.19 per minute for outbound calls
- Usage rate is \$.18 per minute for inbound calls

**3.1.7. LEC Billed Switched Inbound Payphone Calls**

- Surcharge of \$.35 applies to each inbound payphone call
- Usage rate is \$.18 per minute for inbound payphone calls

**3.1.8. Directory Assistance**

- Directory Assistance is available to Customers of the Company's long distance services.
- A Directory Assistance Charge applies to each call to the Directory Assistance Bureau.
- One request may be made on each call to Directory Assistance.

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**SECTION 4 - RATES****4.1. Service Pricing****4.1.1. Switched Outbound and Inbound Service**

The following rates apply to switched outbound and inbound calls.

**A. Direct Billed Outbound and Inbound Calls**

Outbound Calls		Inbound Calls	
Initial Sixty Second Increment	Additional Sixty Seconds or Fraction	Initial Sixty Second Increment	Additional Sixty Seconds or Fraction
(\$)	(\$)	(\$)	(\$)
0.14	0.14	0.14	0.14

**B. LEC Billed Outbound and Inbound Calls**

Outbound Calls		Inbound Calls	
Initial Sixty Second Increment	Additional Sixty Seconds or Fraction	Initial Sixty Second Increment	Additional Sixty Seconds or Fraction
(\$)	(\$)	(\$)	(\$)
0.19	0.19	0.18	0.18

**4.1.2. Inbound Payphone Calls**

Direct Billed Calls		LEC Billed Calls	
Per Minute Usage	Per Call Surcharge	Per Minute Usage	Per Call Surcharge
(\$)	(\$)	(\$)	(\$)
0.14	0.30	0.18	0.35

**4.1.3. Credit Card Payphone Calls or Travel Card Calls**

Credit Card Payphone Calls		Travel Card Calls	
Per Minute Usage	Per Call Surcharge	Per Minute Usage	Per Call Surcharge
(\$)	(\$)	(\$)	(\$)
0.25	0.65	0.25	0.35

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**SECTION 4 - RATES****4.1. Service Pricing****4.1.4. Direct Billed Dedicated Outbound and Inbound Service**

Outbound Calls		Inbound Calls	
Initial Sixty Second Increment	Additional Sixty Seconds or Fraction	Initial Sixty Second Increment	Additional Sixty Seconds or Fraction
(\$)	(\$)	(\$)	(\$)
0.06	0.06	0.06	0.06

**4.1.5. Directory Assistance**

- Directory Assistance charges apply to each call to the Directory Assistance Bureau.
- One request may be made per call.
- Directory Assistance charges apply to each call regardless of whether the requested number can be furnished, e.g., unlisted number.

Directory Assistance	Charge Per Call
One request per call	\$0.72

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**SECTION 5 - SPECIAL PROMOTIONS**

Promotional offerings of reduced rates or waiver of rates for limited periods may be offered at the discretion of the Company. A copy of any promotional offering is filed with the Arizona Corporation Commission in prescribed form of the Commission at least thirty (30) days prior to the offering. Such filing shall contain a description of the promotional offering, the starting date and the length of time it will be available.

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**ATTACHMENT C**

**Call Access and Call Completion Network Diagram  
(Not Applicable)**



**ATTACHMENT D**

**Financial Information  
for  
USC TELECOM, INC.  
(A Delaware Corporation)**

**USC TELECOM**  
**BALANCE SHEET AS OF 12/31/99**

CASH	128,679
ACCOUNTS RECEIVABLE	4,081,132
PROPERTY, PLANT AND EQUIPMENT	2,195
INTERCOMPANY RECEIVABLE	5,886,891
ACQUISITION COSTS	2,317,744
OTHER ASSETS	20,779
	<u>12,437,420</u>
ACCOUNTS PAYABLE	5,187,345
OTHER LIABILITIES	662,000
LONG TERM DEBT	2,310,932
ADDITIONAL PAID IN CAPITAL	8,710,231
WARRANTS	74,400
RETAINED EARNINGS	(4,507,488)
	<u>12,437,420</u>

**USC TELECOM**  
**PROFIT AND LOSS STATEMENT**  
**12/31/99**

GROSS SALES	16,371,911
COST OF SALES	<u>9,993,182</u>
GROSS MARGIN	6,378,729
SELLING, GENERAL, ADMIN	2,921,661
DEPRECIATION / AMORTIZATION	3,218,194
OTHER EXPENSES	<u>468,781</u>
NET LOSS	<u>(229,906)</u>